


BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2000-229-C - ORDER NO. 2000-778
SEPTEMBER 18, 2000

IN RE: Application for Approval of Agreement and)	
Plan of Merger By and Among World Access,)	ORDER APPROVING
Inc., STI Merger Co., Star)	AGREEMENT AND
Telecommunications, Inc., AS)	MERGER
Telecommunications and CEO)	
Communications, Inc.)	



This matter comes before the Public Service Commission of South Carolina (the “Commission”) on the application of World Access (“WAXS”), STAR Telecommunications, Inc. (“STAR”), AS Telecommunications (“AS”), and CEO Communications, Inc. (“CEO”) for approval of an Agreement and Plan of Merger (the “Agreement”) whereby STAR will merge with and into STI Merger Co. (“Merger Sub” or the “Surviving Corporation”), a wholly-owned subsidiary of WAXS. More specifically, under the Agreement WAXS will acquire all of the issued and outstanding shares of STAR common stock for equitable consideration. After the transaction, the Merger Sub will continue to operate, in all material respects, as STAR currently operates. The STAR subsidiaries, AS and CEO will become wholly-owned subsidiaries of the Merger Sub.

Pursuant to the Commission’s Executive Director’s instructions, the Applicants published a Notice of Filing in newspapers of general circulation one time. The Notice of Filing informed the public of the method of participation in the proceedings herein. No Protests or Petitions to Intervene were received. Accordingly, the Applicants have moved for expedited review of this

matter, and have furnished the verified testimony of Walter Burmeister, President of World Access, Inc. in support of the Application.

S.C. Code Ann. Section 58-9-310 (Supp. 1999) requires notice and “due hearing” before the Commission may approve the transfer of the assets of telephone companies from one carrier to another. When there have been no Protests or Petitions to Intervene, we have often granted Motions for Expedited Review, when they are accompanied by verified testimony. We then declare the Commission meeting where the matter was considered to be the “due hearing” required by the statute.

We elect to follow this procedure in the present case, and grant the Motion for Expedited Review. We also hold that the Commission meeting of September 12, 2000, wherein the matter was considered by the Commission to be the “due hearing” required by the statute. We have examined the verified written testimony of Walter Burmeister, World Access’ President, and find that it supports the reasoning and ultimate request found in the original Application.

According to the testimony, STAR does not possess a Certificate of Public Convenience and Necessity to provide telecommunications services in South Carolina. AS and CEO, however, do possess Certificates of Public Convenience and Necessity to provide telecommunications services in South Carolina. AS was granted authority by this Commission to provide interexchange telecommunications services in Order No. 94-807 (Docket No. 1994-103-C, August 18, 1994). Additionally, CEO was granted authority to provide telecommunications services in Order No. 96-438 (Docket No. 1996-45-C, July 2, 1996).

Mr. Burmeister testified that the Commission’s approval of the Agreement between STAR into STI Merger Co. will result in WAXS acquiring all of the issued and outstanding shares of STAR common stock for equitable consideration. The STAR subsidiaries, CEO and

AS, will become wholly-owned subsidiaries of STI Merger Sub. Merger Sub is a privately-held Delaware corporation, which is a wholly-owned subsidiary of WAXS, that has been formed strictly for the purpose of effectuating the Acquisition. Additionally, STAR will merge with and into Merger Sub.

The STAR subsidiaries will continue to operate, in all material respects, as they currently operate. Merger Sub's name will not change after the merger. Merger Sub will do business under the name of STI Merger Co. The STAR subsidiaries, CEO and AS, will continue to service any South Carolina customers pursuant to their certificates in South Carolina.

Furthermore, Merger Sub will notify all current end-users of the event. Additionally, Mr. Burmeister testified the actual merger will be transparent to the customers of STAR/the STAR subsidiaries, and according to the testimony, these customers will continue to receive high quality service. Finally, Mr. Burmeister testified Merger Sub is experienced and financially qualified to consummate this transaction. More specifically, Merger Sub is a wholly-owned subsidiary of WAXS, a public company, the common stock of which is publicly traded on the NASDAQ National Market. WAXS is a holding company which does not directly offer telecommunications services, but rather owns and operates subsidiaries which offer such services.

Accordingly, we have examined the testimony and the record of this case, and hereby approve the proposed transaction, for the reasons stated above. Mr. Burmeister testified the actual merger will be transparent to the customers of STAR/the STAR Subsidiaries and these customers will continue to receive high quality service. We therefore believe that no customer will be adversely affected by the transaction, and the transaction is in the public interest.

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This Order will remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)